

Defense Contract Management District East

Defense Contract Management Agency



ACCOMMODATION CHECKS POLICY AND PROCEDURES

**DEFENSE CONTRACT MANAGEMENT AGENCY
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POLICIES AND PROCEDURES FOR
ACCOMMODATION CHECKS**

A. Purpose and Authority

To establish DCMDE policies for the use of accommodation checks as authorized by DoD Purchase Card Reengineering Implementation Memorandum #5: Accommodation Checks.

B. APPLICABILITY AND SCOPE

These policies are applicable to DCMDE Headquarters and all field activities.

C. RESPONSIBILITIES

The DCMDE Commander shall implement the accommodation check program and ensure compliance with all financial management policies for the use of accommodation checks.

D. BACKGROUND

The preferred method for DOD payments is electronic funds transfer (EFT), and it shall be used to the maximum extent possible. The Debt Collection Improvement Act of 1996 mandates that all DOD payments be made via EFT, effective January 1, 1999.

The mandate to use EFT for all payment has resulted in

DOD prohibiting the use of imprest funds accounts. In lieu of imprest funds, maximum use shall be made of the

Governmentwide I.M.P.A.C. purchase card for micro-purchases of supplies and/or services and the travel card (i.e. an agency central billed account) for

travel payments.

Maximum efforts shall be made to find and use vendors that accept the purchase card as a primary payment vehicle before an accommodation check is considered in place of imprest funds.

E. Purchase Card Convenience Check

DCMDE will utilize purchase card convenience checks, which currently are provided through the GSA contract for the Governmentwide purchase card. The contract requires the issuing bank to operate a convenience check writing system that allows DoD activities to make selected minor purchases and payments using check in lieu of cash.

This product offers an alternative to cash for official expenses of DoD activities previously using imprest funds--after card products and other alternative have been determined unusable. The Purchase card convenience checks shall not be issued for more than \$2,500.00 (\$10,000 overseas in support of contingencies declared by the Secretary of Defense). DCMDE will establish a single cardless account for convenience checks. The account will be maintained and checks issued by the Base Contracting office (DCMDE-DAB).

F. PROCEDURES

i. Approving/Certifying Official

DCMDE's Approving Official/Certifying Official will be the Base Contracting Office Team Leader. The Approving/Certifying official shall be accountable and peculiar liable for the accuracy of the payments.

ii. Accommodation Check Custodian

DCMDE will have one check custodian (and alternate) appointed in writing by the DCMDE Commander. This

individual will order, receive, store, issue, inventory, reconcile and dispose of check stock. The minimum grade level for this individual is GS-07.

The DCMDE accommodation check account shall be under the custody of the check custodian. This individual shall not be responsible for origination, approving and processing the requirement for a check. An alternate custodian may be appointed with the same authorities as the principal custodian; however, the alternate is to act only in the absence of the principal.

Both principal and alternate custodian, as applicable may be held pecuniary liable for account transactions under their control. The accommodation check custodian will also perform the functions of the accommodation check cashier.

iii. Accommodation Check Cashier

The cashier will also perform the duties of Check Custodian and be appointed by the Commander, or approving/certifying official to inscribe (print), sign and issue checks.

Only one individual (and alternate) will be designated as the accommodation check cashier, and have authority to sign and issue convenience checks.

An accommodation check cashier may hold an I.M.P.A.C purchase card, however they will maintain separate accounts and the policies and procedures established herein are observed.

Both primary and alternate cashiers, as applicable, may be held pecuniary liable for account transactions under

their control.

The accommodation check cashier will be provided a safe and locking cabinet for storage of accommodation check products.

iv. Applicability and Use

All DCMDE field locations participate in the program. Field locations will make every effort to utilize the purchase card to fulfill micro-purchase requirements, however if the organization is unable to fulfill the requirement it will be forwarded to the Base Contracting Officer for processing. The field activity will prepare a purchase request and indicate on the request that a credit card could not be used for payment. In addition check requests for services require a W-9 form (appendix B) to be completed by the selected service provider. Requests for checks for services can not be processed without a complete W-9 form. Once the purchase request is reviewed and approved by DCMDE-DA the purchase will be authorized and funded by DA. The purchase request will then be assigned to the DCMDE-DAB accommodation check cashier for processing. For services the check cashier will notify the requester that the services has been approved via email. Once notified the requester is authorized to coordinate with the vendor to provide the service desired. Upon acceptable completion of service the requester will certify the vendor's invoice for payment and fax the certified invoice to the check cashier. The check cashier will then issue the check to the vendor and send overnight directly to the vendor. When the request for a check is for a supply item the check cashier will issue the check to the requested vendor and send overnight directly to the requester. Once received the requester is authorized to pick up the item(s) or request delivery. Upon delivery and acceptance the requester will give the check to the vendor and obtain a receipt for record. A copy of the receipt shall be forwarded to the check cashier within 1 day of acceptance

v. Other Operating Conditions

Check amounts shall not exceed \$2,500 (\$10,000 overseas in support of contingencies declared by the Secretary of Defense) per check and always issued for the exact payment amount, with a prohibition on splitting amounts across more than one check to keep below the \$2,500 limit.

Convenience checks shall not be issued as an exchange-
for-cash vehicle to establish cash funds.

vi. Quarterly Audits

The convenience check account will be audited on a quarterly unannounced basis by DCMDE-DI.

vii. Appendix A

The attached Appendix A is a Summary of the Check Control Process.

G. Conditions for Using Accommodation Check Accounts

Accommodation checks may be used for small purchases when the following two conditions apply:

- i. Supplies or services are available for delivery within 15 days whether at the contractor's place of business or at destination.
- ii. The purchase does not require detailed technical specifications or inspection.

Convenience Checks are prohibited from use for:

- i. Payment of salaries and wages;
- ii. Travel advances;
- iii. Payment for travel claims;
- iv. Payment of public utility bills;
- v. Purchases from contractors or contractor's agents who are military personnel or civilian employees of the government;
- vi. Repetitive purchases from the same contractor when another method of purchase, such as a purchase card or blanket purchase agreement, would be more appropriate;

- vii. Payment of spot awards; or
- viii. Any payment which could have been made utilizing the purchase card.

APPENDIX A

CHECK CONTROL

- ◆ All DCMA Field Organizations Participate
- ◆ Maximum Use of IMPAC CARD is Required
- ◆ Checks Generally Issued Only When IMPAC Card is Not Accepted, and Only That Vendor Can Meet Government's Requirement
- ◆ If a check is lost or stolen, immediately notify the check cashier. The check cashier will contact the bank and issue a stop payment order. A check will be reissued once the bank confirms acceptance of the stop payment order.

CHECK PROCESS

- ◆ Purchase Request
 - Organization Issues Purchase Request Through DCMDE-DA
 - Include Justification Why Check is Required
 - The name and phone number of the vendor and a completed W-9 form (when service is requested)
- ◆ Approval
 - DCMDE-DA approves or returns request if disapproved or if the request is incomplete (i.e. no W-9 form for services). Upon approval DA will fund the purchase request and forward to DAB's check cashier for processing.
- ◆ Check Issuance
 - Supplies: The check cashier will write the check to the selected vendor and forward to the requester via overnight mail. Once the requester receives the check they will secure the check.
 - Services: The check cashier will write the check to the selected vendor upon receipt of a certified invoice and forward check via overnight mail directly to the vendor.

◆ Product/Service Delivery and Acceptance

- Supplies: The requester shall coordinate with the supplier to deliver or schedule a pickup of the items orders. Upon acceptance of the supplies the requester shall obtain a delivery receipt and forward a copy of the receipt to the check cashier.
- Services: Upon notification by the check cashier that the purchase request is approved the requester will coordinate the service with the vendor selected. Once the service is delivered and accepted the requester shall certify the invoice with the following certification:

The above work/installation was performed by vendor in accordance with the initial purchaser request for services dated . Please pay invoice with convenience check.

The certified invoice shall then be faxed to the check cashier who will in turn issue a check to the service provider via overnight mail.

◆ Maximum Value Allowed Per Check \$2,500

APPENDIX B



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